

DEPARTMENT OF FINANCIAL INSTITUTIONS
MINUTES OF MEETING
DECEMBER 9, 2004

The Members of the Department of Financial Institutions met at 9:00 a.m., EST, at 30 South Meridian Street, Suite 300, Indianapolis, Indiana. Present from the Department were: J. Philip Goddard, Deputy Director, Chief Legal Counsel and Secretary; James M. Cooper, Deputy Director, Depository Division; Kirk J. Schreiber, Senior Bank Analyst; Gina R. Williams, Supervisor, Administration; Mark K. Powell, Supervisor, Credit Union Division, John Schroeder, Deputy Director, Non Depository Division and Ronda Bailey, Administrative Assistant. Also attending the meeting were Chris Beaumont from Indiana Credit Union League, Laura Feeney from Teachers Credit Union and Michael R. Brown, Vice President of Executive Media.

I. PUBLIC SESSION

- A.) Members Present: Chairman David Bochnowski, David Baer, Vice Chairman, Michael Davis, Joseph Pierce, Richard Rice and Paul Sweeney. Briget Polichene was absent.
- C.) Date of next meeting: January 13, 2005 @ 9:00 a.m. at the office of The Department of Financial Institutions, 30 South Meridian Street, Indianapolis, Indiana.
- D.) A motion was made for approval of the minutes of the meeting held September 9, 2004, by Mr. Rice and was seconded by Mr. Sweeney. The minutes were unanimously approved.

E). CREDIT UNION DIVISION:

1. INDIANA STATE UNIVERSITY FCU, VIGO COUNTY, INDIANA

This application was presented by Mark K. Powell, Supervisor, Credit Union Division. Indiana State University FCU had applied to the Members of the Department of Financial Institutions for approval of their proposed merger of Terre Haute Post Office Credit Union, Terre Haute, Vigo County, Indiana into Indiana State University FCU.

This was a voluntary merger being entered into by the Board of Directors of Terre Haute Post Office Credit Union so that their members will be able to use the more complete and sophisticated services of Indiana State University FCU.

Mr. Powell explained that the long time manager of Terre Haute Post Office Credit Union had announced that she would be retiring within one year. The Board of Directors of the Credit Union decided that seeking a merger partner rather than a new manager was in the best interests of the membership of the Credit Union.

Mr. Powell pointed out that the merger had been approved by the National Credit Union Administration and would have little or no effect upon the balance sheet of Indiana State University FCU.

Mr. Baer made a motion for approval, which was seconded by Mr. Pierce. The motion to approve the voluntary merger of Terre Haute Post Office Credit Union into Indiana State University FCU was unanimously approved.

2. Beacon Credit Union, Wabash County, Indiana

Mark K. Powell, Supervisor, Credit Union Division presented this application. Beacon Credit Union had applied to the Members of the Department of Financial Institutions for approval of their proposed merger of Sagamore Community FCU, Peru, Miami County, Indiana into Beacon Credit Union.

This was a voluntary merger being entered into by the Board of Directors of Sagamore Community FCU so that their members will be able to use the more complete and sophisticated services of Beacon Credit Union.

Mr. Powell explained that Sagamore Community FCU has been operating without a managing officer for approximately eight months. The interim manager had performed adequately, but does not want the position on a permanent basis. The Credit Union is also struggling to make a profit. Because of these factors the Board of Directors felt that it was in the best interests of the membership to seek a merger partner.

Mr. Powell pointed out that the merger has been approved by the National Credit Union Administration and would have little or no effect on the balance sheet of Beacon Credit Union.

Mr. Rice made a motion for approval, which was seconded by Mr. Davis. The motion to approve the voluntary merger of Sagamore Community FCU into Beacon Credit Union was unanimously approved.

3. Teachers Credit Union, South Bend, St. Joseph County, Indiana

This application was presented by Mark K. Powell, Supervisor, Credit Union Division. Teachers Credit Union had applied to the Members of the Department of Financial Institutions for approval of their parity request to serve as trustee or custodian for Health Savings Accounts pursuant to IC 28-7-1-9.2.

Mr. Powell explained that on November 9, 2004 the Department received a letter from Teachers Credit Union requesting that they be granted the power described above. With their letter Teachers Credit Union included copies of the federal regulations relevant to this request (12 CFR 721.3 & 12 CFR 724.1). Mr. Powell also explained that the granting of this power to Teachers Credit Union would not adversely affect their safety and soundness as the funds involved in this plan can only be invested share accounts or share certificate accounts of the Credit Union.

Mr. Powell stated that in accordance with 28-7-1-9.2(g) he was recommending that the Members by order allow all Indiana state chartered credit unions to serve as trustee or

custodian for Health Savings Accounts.

Mr. Pierce made a motion for approval, which was seconded by Mr. Sweeney. The motion to approve the order allowing all Indiana state chartered credit unions to serve as trustee or custodian for Health Savings Accounts was unanimously approved. Board Member Richard Rice recused himself since he is President & CEO of Teachers Credit Union.

F.) DIRECTORS COMMENTS AND ACTIONS:

1. Harris Bankcorp, Inc., Chicago, Cook County, Illinois

Harris Bankcorp filed an application to acquire Mercantile Bancorp, Inc., Hammond, Lake County, Indiana pursuant to IC 28-2-16. The staff requested that the Members adopt a resolution to delegate the authority to approve the application to the Director or Deputy Director of Depository Institutions. Mr. Baer made a motion for approval, which was seconded by Mr. Pierce. The motion was unanimously approved.

2. John Schroeder updated the Members on the Departments Legislative Proposals. They were as follows:

- Ability of DFI Director to appoint Board members in certain instances.
- Various technical language amendments.
- Annual date changes.
- Extending preemption to subsidiaries of state chartered institutions.
- Use of consultants in regulatory examinations.
- Technical amendment regarding restatement of Articles of Incorporation.
- Electronic Banking.
- Various revisions to modernize the Credit Union code.
- Update of statute related to procedures of Industrial Loan Companies.

10. Two amendments to the Cease & Desist authority of the DFI.

11. Clarify application of Reg W. **This item was for informational purposes only.**

3. Mr. Schroeder also updated the Members on the Consumer Credit Division. Mr. Schroeder informed the Members that the Department has been going through a strategic planning process and the following are a few of the things they are focusing on. They are as follows:

- Fee Structure.
- Review of Statutes.
- Scope of Examinations.
- Clarify agency and division issues.

4. Mr. Cooper updated the Members on the Depository Division. Mr. Cooper also informed the Members that the Department has been going through a strategic planning process and the following are few of the things they are focusing on in the Depository and Credit Union division. They are as follows:

- Identifying strengths, weaknesses and threats.

- Determine where resources are being spent.
- Five year onsite review.

Consumer Credit will focus on the following:

- More off-site work.
- Risk based examination approach.
- Pre planning.
- Business loan review.

This item was for informational purposes only.

5. On October 5, 2004, Director Phillips presented the Sagamore from the Governor and the Resolution of appreciation from the Department to former member Loretta M. Burd at the Credit Unions quarterly board meeting. **This item was for informational purposes only.**
6. **Linden State Bank, Linden, Montgomery County, Indiana**
On September 1, 2004, the bank notified the Department of its intent to establish a qualifying subsidiary, LSB Insurance Agency, LLC, and application to indirectly invest in a nonqualifying subsidiary, The Bank's Insurance Agency Holding Company, LLC and thereby indirectly invest in its wholly owned subsidiary, The Bank's Insurance Agency, LLC. **This item was for informational purposes only.**
7. **The Fountain Trust Company, Covington, Fountain County, Indiana**
On September 7, 2004, the bank notified the Department that the bank formed a wholly owned subsidiary know as the "Automated Payments, Inc. The subsidiary serves as the marketing name for ACH originations, lockbox processing and merchant card processing. **This item was for informational purposes only.**
8. **Community State Bank, Avilla, Noble County, Indiana**
On September 15, 2004, the bank notified the Department of its intent to invest in a nonqualifying subsidiary, The Bank's Insurance Agency Holding Company, LLC ("TBIAHC"). As a result of this investment, the Bank will also have an indirect investment in TBIAHC's wholly owned subsidiary, The Bank's Insurance Agency Company, LLC. **This item is for informational purposes only.**
9. **St. Joseph Capital Bank, Mishawaka, St. Joseph County, Indiana**
On September 28, 2004, the bank notified the Department of its intent to form a wholly owned subsidiary, St Joseph Capital Holdings, Inc. ("Holdings"). Holdings is being established to acquire, hold, sell, exchange and otherwise dispose of and to collect the income from investment securities. **This item is for informational purposes only.**
10. **Star Financial Bank, Fort Wayne, Allen County, Indiana**
The bank notified the Department that they closed their branch office known as the "North Branch" located at 2445 North Broadway, Anderson, Madison County, Indiana. The branch closed on September 13, 2004 @ 5:00 p.m. **This item was for informational purposes only.**

11. West End Savings Bank, Richmond, Wayne County, Indiana

The bank notified the Department of their North Branch closing located at 4677 National Road East, Richmond, Wayne County, Indiana. The branch office closed on October 2, 2004 @ 5:00 p.m. **This item was for informational purposes only.**

G.) DIRECTOR'S DELEGATED ACTIONS:

1. HOME BANK SB, MARTINSVILLE, MORGAN COUNTY, INDIANA

The thrift applied to the Department for approval to relocate a branch office from **245 Morton Avenue, Martinsville, Morgan County, Indiana** to **670 Birk Road, Martinsville, Morgan County, Indiana**. The application was received on August 27, 2004. The branch is to be known as **Home Bank SB**. The new branch will be a 5,500 square foot facility with a six-lane drive up. The thrift purchased the land in March 2003 for \$548M. Cost to construct the branch is projected at \$1,425M. Furniture, fixtures, and equipment costs are projected at \$190M. The thrift's three-year average ROA is 0.73%. As of March 31, 2004, the thrift's ROA was 0.54% and its Tier 1 leverage capital ratio was 13.21%. The investment in total fixed assets to total capital will be 17.05% after the establishment of the branch. The institution will continue to have two branches after the relocation. **The Director approved this on September 8, 2004, under delegated authority.**

2. 1ST SOURCE BANK, SOUTH BEND, ST. JOSEPH COUNTY, INDIANA

The bank applied to the Department for approval to establish a branch office to be located at **5637 Cleveland Road, Stevensville, Berrien County, Michigan**. The application was received on August 30, 2004. The branch is to be known as **Stevensville – Martin's Branch**. The proposed branch is a 400 square foot office inside a Martin's Super Market. The bank is leasing the space from an independent third party with an annual rental of \$27,300 for the first year increasing to \$28,119 for the second year and \$28,963 for the third year of the lease. The term of the lease is for three years with two three-year options. It is estimated that there will be \$37,000 worth of leasehold improvements to make the site into a banking facility. Furniture, fixtures, and equipment costs are projected at \$112,100. No relationship exists between parties involved in this transaction. The bank's three-year average ROA is 0.72%. As of June 30, 2004, the bank's ROA is 0.99% and its Tier 1 leverage capital ratio is 10.33%. The investment in total fixed assets to total capital will be 9.37% after the establishment of the branch. This will be the institution's sixtieth branch. **The Director approved this on September 8, 2004, under delegated authority.**

3. THE FARMERS AND MERCHANTS BANK, BOSWELL, BENTON COUNTY, INDIANA

The bank applied to the Department for approval to establish a branch office to be located at **307 South High Street, West Lebanon, Benton County, Indiana**. The application was received on August 19, 2004. The branch is to be known as **West Lebanon Branch**. The proposed branch is a 2,600 square foot existing branch banking facility. The bank will

purchase the land and building from an independent third party for \$65,000. It is estimated that there will be \$60,000 worth of improvements made to the building. Furniture, fixtures, and equipment costs are projected at \$50,000. No relationship exists between parties involved in this transaction. The bank's three-year average ROA is 1.10%. As of June 30, 2004, the bank's ROA is 1.01% and its Tier 1 leverage capital ratio is 14.67%. The investment in total fixed assets to total capital will be 9.49% after the establishment of the branch. This will be the institution's second branch. **The Director approved this on September 8, 2004, under delegated authority.**

4. STAR FINANCIAL BANK, FORT WAYNE, ALLEN COUNTY, INDIANA

The bank applied to the Department for approval to relocate a branch office from **821 East 53rd Street, Anderson, Madison County, Indiana** to **1503 East 53rd Street, Anderson, Madison County, Indiana**. The application was received on July 28, 2004. The branch is to be known as **Southdale Branch**. The new branch will be a 3,700 square foot facility with a three-lane drive up. The bank purchased land and building from an independent third party for \$953,000. Furniture, fixtures, and equipment costs are projected at \$150,000. The bank's three-year average ROA is 1.05%. As of June 30, 2004, the bank's ROA was 0.76% and its Tier 1 leverage capital ratio was 8.86%. The investment in total fixed assets to total capital will be 19.09% after the establishment of the branch. The institution will continue to have forty-eight branches after the relocation. **The Director approved this on September 8, 2004, under delegated authority.**

5. HERITAGE STATE BANK, LAWRENCEVILLE, LAWRENCE COUNTY, ILLINOIS

An application for issuance of a certificate of admission was received from Heritage State Bank, Lawrenceville, Lawrence County, Illinois ("Heritage"). Heritage filed the application to enable it to transact business in Indiana in accordance with the provisions of IC 28-2-18 and IC 28-1-22. The bank intends to conduct banking activity through branches in Indiana. On August 20, 2004, the Governor of Illinois signed an amendment to The Illinois Banking Act to allow interstate branching. The effective date of the bill was August 20, 2004. Heritage is a state-chartered Illinois bank. Mark A. Palmer, One Indiana Square, Suite 3500, Indianapolis, Marion County, Indiana has been appointed as resident agent for service of legal process by Heritage. **The Certificate of Admission was issued by the Director under delegated authority on September 8, 2004.**

6. LINDEN STATE BANK, LINDEN, MONTGOMERY COUNTY, INDIANA

The Bank applied to the Department for approval to indirectly acquire a minority interest in a non-qualifying subsidiary known as The Banker's Insurance Agency Holding Company, LLC ("TBIAHC"), and thereby also indirectly acquire a minority interest in TBIAHC's wholly owned subsidiary, The Banker's Insurance Agency, LLC ("TBIA"). The application was received on September 1, 2004. Community Bankers Association of Indiana, Inc. is sponsoring an opportunity for certain Indiana financial institutions to offer insurance brokerage services to their customers through TBIAHC. TBIA will enter into a preferred service provider agreement with CBAI Insurance Agency, Inc., which is a wholly owned

subsidiary of the Community Bankers Association of Indiana, Inc. CBAI Insurance Agency, Inc. will also be a Member of TBIAHC. The bank will contribute \$75,000 to a newly formed wholly owned subsidiary, LSB Insurance Agency, LLC, which in turn will invest the \$75,000

to become an equity investor in TBIAHC. TBIAHC is an Indiana limited liability company whose purpose is to own and operate TBIA. The primary purpose of TBIA is to act as agent to sell, solicit, and negotiate insurance contracts. Based on the information provided in the application, the indirect minority investment by the bank in TBIAHC meets the requirements established in the Department's Policy for Establishing a Bank Subsidiary. Linden State Bank is a commercial bank headquartered in Linden, Indiana. The bank's three-year average ROA is 0.84%. As of June 30, 2004, the bank's Tier 1 leverage capital ratio was 12.29%. **The Director approved this on September 15, 2004, under delegated authority.**

7. **BANK OF EVANSVILLE, EVANSVILLE, VANDERBURGH COUNTY, INDIANA**

The bank of Evansville requested approval of the Director for permission to add a new director to the bank's board of directors. The Bank of Evansville converted from a national association to a state chartered commercial bank through a merger with an interim bank approved by the Department on August 12, 2004. Pursuant to the approval conditions by the Department, the Director must give prior approval to any changes in the officers or directors of the bank in the first three years after consummation of the transaction. The transaction was consummated September 14, 2004. The Bank of Evansville has requested adding Mr. Mark A. Schroeder as director of the bank. In addition, Mr. Schroeder will be added to the board of directors of the bank's holding company, American Community Bancorp, Inc. Based on a review of all the information submitted on Mr. Schroeder, no unfavorable responses were noted during the investigation. **The Director approved this on September 29, 2004, under delegated authority.**

8. **COMMUNITY STATE BANK, AVILLA, NOBLE COUNTY, INDIANA**

The bank applied to the Department for approval to acquire a minority interest in a non-qualifying subsidiary known as The Banker's Insurance Agency Holding Company, LLC ("TBIAHC"), and thereby also indirectly acquire a minority interest in TBIAHC's wholly owned subsidiary, The Banker's Insurance Agency, LLC ("TBIA"). The application was received on September 15, 2004. Community Bankers Association of Indiana, Inc. is sponsoring an opportunity for certain Indiana financial institutions to offer insurance brokerage services to their customers through TBIAHC. TBIA will enter into a preferred service provider agreement with CBAI Insurance Agency, Inc., which is a wholly owned subsidiary of the Community Bankers Association of Indiana, Inc. CBAI Insurance Agency, Inc. will also be a Member of TBIAHC. The bank's investment in TBIAHC will be \$75,000.

TBIAHC is an Indiana limited liability company whose purpose is to own and operate TBIA. The primary purpose of TBIA is to act as agent to sell, solicit, and negotiate insurance contracts. Based on the information provided, the minority investment by the bank in TBIAHC meets the requirements established in the Department's Policy for Establishing a Bank Subsidiary. Community State Bank is a state member bank headquartered in Avilla, Indiana. The bank's three-year average ROA is 0.76%. As of June 30, 2004, the bank's Tier 1 leverage capital ratio was 9.56%. **The Director approved this on September 29, 2004,**

under delegated authority.

9. AMERIANA BANK & TRUST, NEW CASTLE, HENRY COUNTY, INDIANA

The bank applied to the Department for approval to pay dividends in excess of what is permitted by IC 28-13-4-3. The bank's dividend request asks approval to pay a cash dividend of \$500,000 to its holding company, Ameriana Bancorp, New Castle, Indiana. The dividend will be upstreamed to the parent holding company for its regular fourth quarter dividend and for other holding company expenses. As of August 31, 2004, the bank's Tier I leverage capital ratio was 8.95%. Proforma Tier 1 leverage to total estimated assets is approximately 8.83% after the payment of the dividend. **The Director approved this on October 5, 2004, under delegated authority.**

10. BLOOMFIELD STATE BANK, BLOOMFIELD, GREENE COUNTY, INDIANA

The bank applied to the Department for approval to establish a branch office to be located at **225 South Emerson, Greenwood, Johnson County, Indiana**. The application was received on September 8, 2004. The branch is to be known as the **Greenwood Branch**. The bank will lease 1,500 square feet from Ohio Properties, LLC. Ohio Properties, LLC is an entity that is 50% owned by the "Barkley Group." The Barkley Group is made up of the Barkley family members who own and control more than 50% of the stock of the bank's holding company, Universal Bancorp. The bank submitted comparable lease rates from the other occupants of the building to show that the lease rate the bank is paying is comparable to what other tenants of the building are paying. The lease rate is \$15.00 per square foot including utilities and build out costs. The term of the lease is for three years unless it is renewed. Furniture, fixtures, and equipment costs are projected at \$50,000. The bank's three-year average ROA is 0.79%. As of June 30, 2004, the bank's ROA was 1.18% and its Tier 1 leverage capital ratio was 8.86%. The investment in total fixed assets to total capital will be 17.62% after the establishment of the branch. This will be the institution's eleventh branch. **The Director approved this on October 5, 2004, under delegated authority.**

11. UNITED COMMERCE BANK, BLOOMINGTON, MONROE COUNTY, INDIANA

The bank applied to the Department for approval to establish a branch office to be located at **923 East 5th Street, Bedford, Lawrence County, Indiana**. The application was received on September 29, 2004. The branch is to be known as **United Commerce Bank**. The proposed branch is an 850 square foot existing office, currently being operated as a loan production office by the bank. The bank is currently leasing the space from an independent third party with an annual rental of \$9,000 with a term that expires June of 2005. The bank has an option to renew for two additional years. The bank owns the furniture, fixtures, and equipment, and therefore, no additional costs will be associated with this branch. No relationship exists between parties involved in this transaction. The bank's three-year average ROA is 0.47%. As of June 30, 2004, the bank's ROA is 0.53% and its Tier 1 leverage capital ratio is 9.00%. The investment in total fixed assets to total capital will be 2.87% after the establishment of this branch and a mobile branch. This will be the institution's third branch. **The Director approved this on October 15, 2004, under delegated authority.**

12. UNITED COMMERCE BANK, BLOOMINGTON, MONROE COUNTY, INDIANA

The bank applied to the Department for approval to establish a mobile branch. The application was received on September 29, 2004. The bank intends to operate the mobile branch out of the proposed new Bedford Branch to service customers in and around Lawrence County. To overcome the absence of an extensive branch network in Lawrence County, the bank will use the mobile branch to pick up check deposits and deliver new account paperwork to customer locations. The mobile branch will be a four-door car and operated by a part-time bank employee. The bank will use tamper-proof bags, which are serially numbered and logged by the driver. The customer is given a receipt at the time the bag is picked up. Bags will be delivered to the Bedford branch to be compared to the log, opened and processed under joint custody. The tellers mail the customer a receipt. Customer transactions are transported in locked, fire retardant satchels. The insurance policy of the bank will cover the operation of the mobile branch. The bank already owns a car that will be used for the mobile branch. The bank's three-year average ROA is 0.47%. As of June 30, 2004, the bank's ROA is 0.53% and its Tier 1 leverage capital ratio is 9.00%. The investment in total fixed assets to total capital will be 2.87% after the establishment of this branch and a mobile branch. This will be the institution's fourth branch. **The Director approved this on October 15, 2004, under delegated authority.**

13. STAR FINANCIAL BANK, FORT WAYNE, ALLEN COUNTY, INDIANA

The bank applied to the Department for approval to relocate a branch office from **3025 South Lafountain Street, Kokomo, Howard County, Indiana** to **2900 South Washington Street, Kokomo, Howard County, Indiana**. The application was received on October 5, 2004. The branch is to be known as **Kokomo South Branch**. The new branch will be a 3,100 square foot facility with a three-lane drive up. The bank purchased land and building from an independent third party for \$825,000. Furniture, fixtures, and equipment costs are projected at \$150,000. The bank's three-year average ROA is 1.05%. As of June 30, 2004, the bank's ROA was 0.76% and its Tier 1 leverage capital ratio was 8.86%. The investment in total fixed assets to total capital will be 20.01% after the establishment of the branch. The institution will continue to have forty-eight branches after the relocation. **The Director approved this on October 15, 2004, under delegated authority.**

14. COMMUNITY TRUST & INVESTMENT COMPANY, NOBLESVILLE, HAMILTON COUNTY, INDIANA

The corporate fiduciary applied for approval to relocate its trust office from **118 East Main Street, Crawfordsville, Montgomery County, Indiana** to **119 East Main Street, Crawfordsville, Montgomery County, Indiana**. The application was received on August 10, 2004. The proposed trust office is across the street from the current office. The proposed office is a 3,000 square foot office space in downtown Crawfordsville. The main reason for relocating is that the proposed office space is more modern. Staffing will be provided by existing personnel. The corporate fiduciary will lease the space from CTI, LLC, a wholly owned company of Randy Pattison, CEO of the corporate fiduciary, with an annual rental of \$21,600.00. The terms of the lease call for monthly rental for five years plus an option

to renew for one extension of one year. There are no additional costs at this time.

Upon request the corporate fiduciary provided an independent analysis of comparable leased property in the Crawfordsville area. The independent analysis showed that the proposed terms and conditions to be charged was as beneficial to the corporate fiduciary as any other leased property in the Crawfordsville area. As such, the transaction is considered to have been negotiated at arms-length. As of June 30, 2004, the corporate fiduciary had assets under administration of \$243 million and equity capital of \$1,879M. **The Director approved this on October 15, 2004, under delegated authority.**

15. CASEY STATE BANK, CASEY, CLARK COUNTY, ILLINOIS

An application for issuance of a certificate of admission was received from Casey State Bank, Casey, Clark County, Illinois ("Casey"). Casey filed the application to enable it to transact business in Indiana in accordance with the provisions of IC 28-2-18 and IC 28-1-22.

The bank intends to conduct banking activity through branches in Indiana. On August 20, 2004, the Governor of Illinois signed an amendment to The Illinois Banking Act to allow interstate branching. The effective date of the bill was August 20, 2004. Casey is a state-chartered Illinois bank. Gregory S. Cox, P.O. Box 237, Carlisle, Sullivan County, Indiana has been appointed as resident agent for service of legal process by Casey. **A Certificate of Admission was issued by the Director under delegated authority on October 15, 2004.**

16. U.S. TRUST COMPANY, NATIONAL ASSOCIATION, GREENWICH, FAIRFIELD COUNTY, CONNECTICUT

An application for issuance of a certificate of admission was received from U.S. Trust Company, National Association, Greenwich, Fairfield County, Connecticut ("U.S. Trust"). U.S. Trust filed the application to enable it to transact business in Indiana in accordance with the provisions of IC 28-1-22. The bank intends to act as testamentary trustee, inter vivos trustee, executor, administrator, guardian, conservator, or any other fiduciary capacity for residents of Indiana or clients with property located in Indiana. U.S. Trust is requesting a certificate of admission as a foreign corporation due to a pending appointment for a trust account. U.S. Trust will not have a physical location in Indiana. Central Indiana Paralegal Services, Inc., 55 Monument Circle, Suite 1424, Indianapolis, Marion County, Indiana has been appointed as resident agent for service of legal process by U.S. Trust. **A Certificate of Admission was issued by the Director under delegated authority on October 15, 2004.**

17. FARMERS STATE BANK, MENTONE, KOSCIUSKO COUNTY, INDIANA

The bank applied to the Department for approval to indirectly acquire a minority interest in a non-qualifying subsidiary known as The Banker's Insurance Agency Holding Company, LLC ("TBIAHC"), and thereby also indirectly acquire a minority interest in TBIAHC's wholly owned subsidiary. The Banker's Insurance Agency, LLC ("TBIA"). The application was received on September 16, 2004. Community Bankers Association of Indiana, Inc. is sponsoring an opportunity for certain Indiana financial institutions to offer insurance brokerage services to their customers through TBIAHC. TBIA will enter into a preferred service provider agreement with CBAI Insurance Agency, Inc., which is a wholly owned

subsidiary of the Community Bankers Association of Indiana, Inc. CBAI Insurance Agency, Inc. will also be a Member of TBIAHC. The bank will contribute \$75,000 to a newly formed

wholly owned subsidiary, FSB Insurance LLC, which in turn will invest the \$75,000 to become an equity investor in TBIAHC. TBIAHC is an Indiana limited liability company whose purpose is to own and operate TBIA. The primary purpose of TBIA is to act as agent to sell, solicit, and negotiate insurance contracts. Based on the information provided in the application, the indirect minority investment by the bank in TBIAHC meets the requirements established in the Department's Policy for Establishing a Bank Subsidiary. Farmers State Bank is a commercial bank headquartered in Mentone, Indiana. The bank's three-year average ROA is 0.85%. As of June 30, 2004, the bank's Tier 1 leverage capital ratio was 8.63%. **The Director approved this on October 21, 2004, under delegated authority.**

18. COMMUNITY STATE BANK, AVILLA, NOBLE COUNTY, INDIANA

The bank applied to the Department for approval to establish a branch office to be located at **1802 Ida Red Road, Kendallville, Noble County, Indiana**. The application was received on October 20, 2004. The branch is to be known as the **Kendallville West Office**. The branch will be leased from Community Financial Corporation ("CFC"), the bank's holding company. CFC owns all of the bank's branches and leases them to the bank. The construction of the building is projected to be completed in the spring of 2005. Chief Executive Officer Fred Demske indicated that an independent appraisal would be obtained at that time and the terms of the lease would be negotiated based on the appraisal to reflect current market conditions. The branch will have approximately 2,800 square feet and be located on one acre. The bank will have leasehold improvements of approximately \$20,000 and furniture, fixture and equipment expense is projected at \$294,000. The bank's three-year average ROA is 0.76%. As of June 30, 2004, the bank's ROA is 0.70% and its Tier 1 leverage capital ratio is 9.56%. The investment in total fixed assets to total capital will be 8.64% after the establishment of this branch. This will be the institution's fourth branch. **The Director approved this on November 8, 2004 under delegated authority.**

19. GREAT LAKES BANK, N.A. BLUE ISLAND, COOK COUNTY, ILLINOIS

An application for issuance of a certificate of admission was received from Great Lakes Bank, N.A., Blue Island, Cook County, Illinois ("Great Lakes"). Great Lakes filed the application to enable it to transact business in Indiana in accordance with the provisions of IC 28-2-18 and IC 28-1-22. The bank intends to conduct banking activity through a branch in Dyer, Indiana. On August 20, 2004, the Governor of Illinois signed an amendment to The Illinois Banking Act to allow interstate branching. The effective date of the bill was August 20, 2004. Great Lakes is a nationally chartered bank. National Registered, Inc., 320 N. Meridian Street, Suite 1100, Indianapolis, Marion County, Indiana has been appointed as resident agent for service of legal process. **A Certificate of Admission was issued by the Director under delegated authority on November 8, 2004.**

20. THE FIRST NATIONAL BANK OF CARMI. CARMI, WHITE COUNTY, ILLINOIS

An application for issuance of a certificate of admission was received from The First

National Bank of Carmi, Carmi, White County, Illinois ("Carmi"). Carmi filed the application to enable it to transact business in Indiana in accordance with the provisions of IC 28-2-18 and IC 28-1-22. The bank intends to conduct banking activity through a branch in Mt. Vernon, Indiana.

On August 20, 2004, the Governor of Illinois signed an amendment to The Illinois Banking Act to allow interstate branching. The effective date of the bill was August 20, 2004. Carmi is a nationally chartered bank. Alvin D. Fritschle, 450 Southwind Plaza, Mt. Vernon, Posey County, Indiana has been appointed as resident agent for service of legal process by Carmi. **A Certificate of Admission was issued by the Director under delegated authority on November 8, 2004.**

21. JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, COLUMBUS, DELAWARE COUNTY, OHIO

JPMorgan Chase Bank, New York New York ("JPMCB-NY") is expecting to convert to a national banking association and merge with Bank One, N.A., Chicago, Illinois and Bank One, N.A., Columbus, Ohio. The conversion and merger is expected to occur on November 13, 2004. JPMorgan Chase Bank, National Association, Columbus, Ohio will be the resulting bank after the merger and will retain Bank One's branches in Indiana. In anticipation of the consummation of the mergers, an application for issuance of a certificate of admission for the surviving corporation of the mergers has been filed with the Department. This foreign corporation application is being filed to enable the surviving corporation to transact business in Indiana in accordance with the provisions of IC 28-1-22 and IC 28-2-17 as soon as the consummation occurs. CT Corporation System, 36 South Pennsylvania Street, Suite 700 Indianapolis, Marion County, Indiana has been appointed as resident agent for service of legal process by JP Morgan Chase Bank, National Association. If the mergers do not consummate as planned, this application will be revoked unless extended by the Director of the Department. **A Certificate of Admission was issued by the Director under delegated authority on November 8, 2004.**

22. AMERICAN TRUST & SAVINGS BANK, WHITING, LAKE COUNTY, INDIANA

The bank applied to the Department for permission to amend Article II of its Articles of Incorporation pursuant to IC 28-13-14-8. On October 21, 2004, the Board of Directors of the bank passed a resolution proposing a 1 for 1,923.08 reverse common stock split. As a result of the reverse stock split the number of authorized common shares will be reduced to 13 shares with a par value of \$19,230.77 per share. Currently, the Articles of Incorporation authorize 25,000 shares of common stock with a par value of \$10.00. The bank's holding company, Am Tru, Inc., owns 23,167 shares, or approximately 92.668%, of the issued and outstanding shares. The remaining 1,833 shares are owned by twenty-nine (29) shareholders, all of who will receive cash for their shares of stock. As a result of the reverse stock split, Am Tru, Inc. will own all of the 13 issued shares of bank stock. Pursuant to IC 28-13-14-8.5, the bank retained the services of Alex Sheshunoff & Co. Investment Banking, LP ("Sheshunoff"), Austin, Texas, to render both an evaluation of the cash fair value of the bank's outstanding common stock and a written fairness opinion as to the fairness from a financial point of view, to those shareholders who are receiving cash in the transaction.

Sheshunoff specializes in rendering valuation opinions of banks and bank holding companies nationwide. Sheshunoff valued each share of American Trust & Savings Bank stock at \$308.00 as of June 30, 2004. The book value of the stock as of June 30, 2004 is \$416.08. The meeting for the shareholders to vote on the reverse stock split is expected to be held prior

to December 31, 2004. Shareholders that disagree with the appraisal and fairness opinion are entitled to dissenters' rights in accordance with IC 28-1-7-21. The effective date of the amendment will be the date the Articles of Amendment are filed with the Secretary of State. **The Director approved this on November 8, 2004, under delegated authority.**

23. HARBOUR TRUST & INVESTMENT MANAGEMENT COMPANY, MICHIGAN CITY, LAPORTE COUNTY, INDIANA

The corporate fiduciary has applied to the Department for approval to relocate its main office from **101 West Second Street, Michigan City, LaPorte County, Indiana** to **1024 North Karwick Road, Michigan City, LaPorte County, Indiana**. The application was received on October 20, 2004. The proposed main office will be a newly constructed 7,200 square foot free standing office building. The corporate fiduciary will lease the space from Rebake Associates LLC, Michigan City, Indiana, a 33.33% interest each of CEO Leon Dargis and President Robert Rose, with an annual rental of \$115,200 or \$16.00 per square foot. Upon request the corporate fiduciary provided an independent analysis of comparable leased property in the Michigan City area. The transaction is considered to have been negotiated at arms-length. The corporate fiduciary will vacate the current main office, as the lease will expire. Furniture, fixture, and equipment will cost approximately \$22,000. As of September 30, 2004, the corporate fiduciary had assets under administration of \$329.4 million and equity capital of \$1.8 million. **The Director approved this on December 3, 2004, under delegated authority.**

24. CENTREBANK, VEEDERSBURG, FOUNTAIN COUNTY, INDIANA

The bank has applied to the Department for approval to establish a branch office to be located at **102 East State Street, Kingman, Fountain County, Indiana**. The application was received on September 14, 2004. The branch is to be known as **CentreBank**. The proposed branch is a 1,000 square foot existing branch banking facility. The bank will lease the space from an independent third party for two years with an annual rental of \$15,360. The bank is also leasing the land from another independent third party for two years with an annual rental of \$3,000. The land lease agreement gives the bank an option to purchase the site at the end of the lease for \$12,000 if the bank so desires. Furniture, fixtures, and equipment costs are projected at \$15,000. The bank's three-year average ROA is 0.82%. As of September 30, 2004, the bank's ROA was 0.79% and its Tier 1 leverage capital ratio was 11.62%. The investment in total fixed assets to total capital will be 8.45% after the establishment of the branch. This will be the institution's fourth branch. **The Director approved this on December 3, 2004, under delegated authority.**

25. TEACHERS CREDIT UNION, SOUTH BEND, ST. JOSEPH COUNTY, INDIANA

The credit union filed a requested approval of a Petition and proposed Amendment to the

Articles of Incorporation. Pursuant to IC 28-7-1-10, this allows a credit union to add one or more qualified groups to its field of membership). This amendment placed the following organizations into the field of membership of the credit union:

South Central Community School Corporation – Union Mills – 100 members (common bond of occupation as defined by 28-7-1-10).

NCP Coatings, Inc. – Niles, MI – 105 members (common bond of occupation as defined by 28-7-1-10).

The Tavern, Inc. – Niles, MI – 12 members (common bond of occupation as defined by 28-7-1-10).

Michiana Box & Crate, Inc. – Niles, MI – 120 members (common bond of occupation as defined by 28-7-1-10).

Makielski Properties, LLC – Edwardsburg, MI – 2 members (common bond of occupation as defined by 28-7-1-10).

French Paper Company – Niles, MI – 95 members (common bond of occupation as defined by 28-7-1-10).

Castleton Lodging Associates, LLP – Indianapolis – 20 members (common bond of occupation as defined by 28-7-1-10).

Cloverdale Lodging Associates, LLP – Indianapolis – 7 members (common bond of occupation as defined by 28-7-1-10).

North America Technology, Inc. – Downers Grove, IL – 1 member (common bond of occupation as defined by 28-7-1-10).

Four Flags Area Chamber of Commerce – Niles, MI – 3 members (common bond of occupation as defined by 28-7-1-10).

as defined by 28-7-1-10).

Andrews University – Berrien Springs, MI – 800 members (common bond of occupation as defined by 28-7-1-10). **The Director approved this on September 27, 2004, under delegated authority.**

26. ELKHART COUNTY FARM BUREAU CREDIT UNION, GOSHEN, ELKHART COUNTY, INDIANA

The credit union filed requested approval of a Petition for approval of a proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10, this allows a credit union to add one or more qualified groups to its field of membership.) This amendment placed the following organizations into the field of membership of the credit union:

Barkman Custom Woodworking, Inc. – Nappanee – 12 members (common bond of occupation as defined by 28-7-1-10).

Borkholder Corporation – Nappanee – 200 members (common bond of occupation as defined by 28-7-1-10).

Buss Excavating – Nappanee – 2 members (common bond of occupation as defined by 28-7-1-10).

DH Machine, Inc. – Nappanee – 24 members (common bond of occupation as defined by 28-

7-1-10).

McCormick Motors, Inc. – Nappanee – 45 members (common bond of occupation as defined by 28-7-1-10).

Mary's Pastries – Nappanee – 10 members (common bond of occupation as defined by 28-7-1-10). **The Director approved this on October 13, 2004, under delegated authority.**

27. KEMBA (INDIANAPOLIS) CREDIT UNION, INDIANAPOLIS, MARION COUNTY, INDIANA

The credit union requested approval of a Petition for approval of a proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10, this allows a credit union to add one or more qualified groups to its field of membership). This amendment placed the following organizations into the field of membership of the credit union:

Keller Laboratories, Inc. – Indianapolis – 214 members (common bond of occupation as defined by 28-7-1-10). **The Director approved this on October 20, 2004, under delegated authority.**

28. TEACHERS CREDIT UNION, SOUTH BEND, ST. JOSEPH COUNTY, INDIANA

The credit union requested approval of a Petition for approval of a proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10, (this allows a credit union to add one or more qualified groups to its field of membership). This amendment placed the following organizations into the field of membership of the credit union:

Austin Indiana Holdings, L.L.C. – Fort Wayne – 1 member (common bond of occupation as defined by 28-7-1-10).

Trillium Staffing Solutions – Niles, MI - 50 members (common bond of occupation as defined by 28-7-1-10).

Rx Optical – Kalamazoo, MI – 200 members (common bond of occupation as defined by 28-7-1-10).

Galien Township Schools – Galien, MI – 32 members (common bond of occupation as defined by 28-7-1-10). The Director approved this on October 25, 2004, under delegated authority. **The Director approved this on October 25, 2004, under delegated authority.**

29. FORUM CREDIT UNION, INDIANAPOLIS, MARION COUNTY, INDIANA

The credit union requested approval of a Petition for approval of a proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership.) This amendment placed the following organizations into the field of membership of the credit union:

Heritage Environmental Services – Indianapolis – 700 members (common bond of occupation as defined by 28-7-1-10).

Frank E. Irish, Inc. – Indianapolis – 230 members (common bond of occupation as defined by 28-7-1-10). **The Director approved this on November 10, 2004, under delegated authority.**

30. Teachers Credit Union, South Bend, St. Joseph County, Indiana

The credit union had filed a request for approval of a Petition for approval of a proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership.) This amendment

placed the following organizations into the field of membership of the credit union:

Niles Inn & Conference Centre – Niles, MI – 15 members (common bond of occupation as defined by 28-7-1-10).

Riveridge Manor – Niles, MI – 95 members (common bond of occupation as defined by 28-7-1-10).

Wal-Mart Super Center – Niles, MI – 300 members (common bond of occupation as defined by 28-7-1-10). **The Director approved this on November 10, 2004, under delegated authority.**

- 31. Ace Mortgage Funding, Inc.** requested a consumer loan license. Applicant is based in Indianapolis, Indiana. They will be making second mortgage loans. They will not be servicing their loans. A title company will close the loans. They currently operate in 19 states. Applicant is also licensed as a loan broker with Secretary of State, Securities Division. The staff's review finds that the financial responsibility, character and fitness of the applicant and of the members of the applicant are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 24-4.5 and as stipulated in IC 24-4.5-3-503(2). Applicant is recommended for approval. **The Director approved this on November 8, 2004, under delegated authority.**

- 32. Golf & Harms Management, LLC d/b/a All American Loans** requested a consumer loan license. Applicant is based in Chicago, Illinois. They will be making single-pay short-term loans under IC 24-4.5-7. They will be servicing their loans. Loans will be at existing Check Casher/Pawnbroker licensee Checks 4 Cash in Michigan City. They currently operate in Illinois. On Thursday, October 21, 2004 Mr Ira J. Felner, Manager, representing an applicant for a Small Loan License, was interviewed in the offices of the department. Representing the Department were John Schroeder, Deputy Director, Mark Tarpey, Division Supervisor, and Robert W. Benbow, Field Supervisor. Mr Tarpey reviewed several payday-lending issues with three main points being emphasized; the cycle of debt, disclosures, and collection practices. The staff's review finds that the financial responsibility, character and fitness of the applicant and officers and directors of the applicant are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 24-4.5 and as stipulated in IC 24-4.5-3-503(2). Applicant is recommended for approval. **The Director approved this on November 8, 2004, under delegated authority.**

- 33. Amerisave Mortgage Corporation** requested a consumer loan license. Applicant is based in Atlanta, Georgia. They will be making second mortgage loans. They will not be

servicing their loans. A title company will close the loans. They currently operate in 41 States. The staff's review finds that the financial responsibility, character and fitness of the applicant and officers and directors of the applicant are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 24-4.5 and as stipulated in IC 24-4.5-3-503(2). Applicant is recommended for approval. **The Director approved this on November 8, 2004, under delegated authority.**

34. **APB Mortgage, LLC requested a consumer loan license.** Applicant is based in Louisville, Kentucky. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by title company/attorney. They currently operate in 8 states. The staff's review finds that the financial responsibility, character and fitness of the applicant and officers and directors of the applicant are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 24-4.5 and as stipulated in IC 24-4.5-3-503. Applicant is recommended for approval. **The Director approved this on November 8, 2004, under delegated authority.**
35. **BNY Mortgage Company, LLC** requested a consumer loan license. Applicant is based in West Paterson, New Jersey. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by title company/attorney. They currently operate in 17 states. Applicant was formed in September of 1998 as a joint venture between AMC Holdings, Inc. (a wholly owned subsidiary of Everbank) and by XYZ Holdings, LLC (a subsidiary of the Bank of New York). The staff's review finds that the financial responsibility, character and fitness of the applicant and officers and directors of the applicant are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 24-4.5 and as stipulated in IC 24-4.5-3-503(2). Applicant is recommended for approval. **The Director approved this on November 8, 2004, under delegated authority.**
36. **Bravo Credit Corp., LLC** requested a consumer loan license. Applicant is based in Irvine, California. They will be making second mortgage loans. They will not be servicing their loans. The title company will close the loans. They currently operate in California. The staff's review finds that the financial responsibility, character and fitness of the applicant and officers and directors of the applicant are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 24-4.5 and as stipulated in IC 24-4.5-3-503(2). Applicant is recommended for approval. **The Director approved this on November 8, 2004, under delegated authority.**
37. **Challenge Financial Investors Corp. d/b/a Challenge Mortgage** requested a consumer loan license. Applicant is based in Largo, Florida. They will be making second mortgage loans. They will not be servicing their loans. A title company will close the loans. They currently operate in 34 states. They will have 14 branches in Indiana. The staff's review finds that the financial responsibility, character and fitness of the applicant and officers and directors of the applicant are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 24-4.5 and as stipulated in IC 24-4.5-3-503(2).

Applicant is recommended for approval. **The Director approved this on November 8, 2004, under delegated authority.**

38. **Home Loan Corp. d/b/a Expanded Mortgage Credit** requested a consumer loan license. Applicant is based in Houston, Texas. They will be making second mortgage loans. They will not be servicing their loans. A title company will close the loans. They currently operate in 37 states. The staff's review finds that the financial responsibility, character and fitness of the applicant and officers and directors of the applicant are such as to warrant belief that the

business will be operated honestly and fairly within the purposes of IC 24-4.5 and as stipulated in IC 24-4.5-3-503(2). Applicant is recommended for approval. **The Director approved this on November 8, 2004, under delegated authority.**

39. **Little Puppy, LTD d/b/a Ace Cash Express** requested a consumer loan license. Applicant is based in South Bend, Indiana. They will be making single-pay, short-term loans under IC 24-4.5.7. They will be servicing their loans. Applicant will be a franchisee of Ace Cash Express out of Irvine, Texas. Applicant was licensed as a Check Casher under license #9750 as of August 26, 2004. On Friday, October 26, 2004 in the offices of the department, Mr. Andrew J. Spite, Owner, representing an applicant for a Small Loan License, was interviewed. Representing the Department were John Schroeder, Deputy Director: Mark Tarpey, Division Supervisor: and Robert W. Benbow, Field Supervisor. Mr. Tarpey reviewed several payday lending issues with three main points being emphasized; the need for underwriting standards, collection practices, and the concerns regarding the "debt treadmill." The staff's review finds that the financial responsibility, character and fitness of the applicant and officers and directors of the applicant are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 24-4.5 and as stipulated in IC 24-4.5-3-503(2). Applicant is recommended for approval. **The Director approved this on November 8, 2004, under delegated authority.**

40. **Mac-Clair Mortgage Corp.** requested a consumer loan license. Applicant is based in Flint, Michigan. They will be making second mortgage loans. They will not be servicing their loans. A title company will close the loans. They currently operate in 9 states. The staff's review finds that the financial responsibility, character and fitness of the applicant and officers and directors of the applicant are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 24-4.5 and as stipulated in IC 24-4.5-3-503(2). Applicant is recommended for approval. **The Director approved this on November 8, 2004, under delegated authority.**

41. **Tammac Corp.** requested a consumer loan license. Applicant is based in Wilkes-Barre, Pennsylvania. They will make direct loans on manufactured housing. They will be servicing their loans. Loans will be made through manufactured housing dealers. They currently operate in 15 States. The staff's review finds that the financial responsibility, character and fitness of the applicant and officers and directors of the applicant are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC

24-4.5 and as stipulated in IC 24-4.5-3-503(2). Applicant is recommended for approval. **The Director approved this on November 8, 2004, under delegated authority.**

42. **American Traders, Inc. d/b/a Pawn King** requested a check casher license. Applicant is based in Merrillville, Indiana. They will be cashing all types of checks. They are currently licensed as a Pawnbroker under #287 and for Small loans under #1709. Fee will be statutory maximum. They currently operate in Portage & Merrillville. The staff's investigation finds that the financial responsibility, business experience, character, and general fitness of the applicant and of the officers and directors members are such as to warrant belief that the

business will be operated honestly and fairly within the purposes of IC 28-8-5-12(a). Applicant is recommended for approval. **The Director approved this on November 8, 2004, under delegated authority.**

43. **Demotte Drugs, Inc. d/b/a Fagen Pharmacy** requested a check casher license. Applicant is based in Demotte, Indiana. They will be cashing all types of checks. Fee will be 1.5%. This location was previously a licensed check casher under prior ownership. References were all satisfactory. The staff's investigation finds that the financial responsibility, business experience, character, and general fitness of the applicant and of the officers and directors members are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 28-8-5-12(a). Applicant is recommended for approval. **The Director approved this on November 8, 2004, under delegated authority.**

44. **State Auto Pawn, LLC d/b/a AmeriCheck Cashing** requested a check casher license. Applicant is based in Indianapolis, Indiana. They will be cashing all types of checks. Fee will be statutory maximum. Applicant has also applied for a Pawn Broker license. References were all satisfactory. The staff's investigation finds that the financial responsibility, business experience, character, and general fitness of the applicant and of the officers and directors members are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 28-8-5-12(a). Applicant is recommended for approval. **The Director approved this on November 8, 2004, under delegated authority.**

45. **State Auto Pawn, LLC** requested a pawnbroker license. Applicant is based in Indianapolis, Indiana. References were all satisfactory. Sole/managing member of LLC was previously licensed with DFI. Applicant has also applied for a Check Cashing license. The staff's review finds the financial standing, competence, business experience, and character of the applicant and of the officers and directors/members of the applicant are such that the business will be operated honestly, fairly, and efficiently and that the convenience and needs of the public exist for the operation of a pawnbroking business in the community wherein such applicant proposes to operate as stipulated in IC 28-2-5-8. Applicant is recommended for approval. **The Director approved this on November 8, 2004, under delegated authority.**

46. **CUMIS Insurance Society, Inc.** requested approval as third party administrator for a (GAP) Program. Applicant is based in Madison, Wisconsin. Maximum charge to the customer is

\$385. Customer deductible is covered up to \$1,000. There is a 90-day free look period. There is no refund upon prepayment. Customer will finance at least 80% of MSRP for a new vehicle and NADA average retail value for a used auto. They currently operate in 4 states. There is a contractual liability policy issued by CUMA Mutual Group. The initial dealer requesting approval is Hoosier Farm Bureau Credit Union. All future creditors/dealers will agree to abide by the same terms as those approved. The staff's review finds that the charge would be of benefit to the consumer and is reasonable in relation to the benefits as provided for under IC 24-4.5-2-202(1) (c) and 3-202(1)(e). Approval is subject to review at a future date as deemed necessary by the Department. It is recommended that the program be approved as submitted and subject to the above conditions. **The Director approved this on**

November 8, 2004, under delegated authority.

APPROVED:

ATTEST:

David A. Bochnowski, Chairman

J. Philip Goddard, Secretary